

Dear Section Member,

You will recall that we informed you in our previous letter that the Budapest Stock Exchange would introduce a new version of the software for MMTS I and MMTS II Trader Workstations, the K2 connection server and the central trading system on 10 November 2008.

During a recent meeting of Section Members we informed you that, responding to a request by the issuers of certificates, the Budapest Stock Exchange intends to raise the earlier limit of 30 000 Market Maker orders/day coming from one Market Maker firm. During the tests that preceded the version upgrade of the software, we verified that the system operates safely also under a higher load circumstances (higher number of orders per day).

We found that the trading system operates adequately even when the number of orders is significantly higher.

Accordingly, as from 10 November 2008, each issuer may make 60 000 instead of 30 000 Market Maker orders for certificates per day. As a consequence, the number of incoming orders might in the future be double of the present about 80 000 offers.

Please check your own systems: to verify that such rise in the amount of trading data does not cause problems in processing during the day or at the end of the trading day. Updates in trading data (Secboard records) will appear more frequent to the clients of the K2 server than before. If you process such real-time information, please check whether your system can handle such a higher load.

We recommend that you should examine whether or not you always use the appropriate/recommended bandwidth for the number of operational (logged in) trader Workstation Software. If the available bandwidth is narrower than the bandwidth required for the number of logged in Workstations , then occasionally traders might experience a temporary slow down in the data transfer speeds. The probability of this slow down may increase as the number of incoming orders will grow. Please find the recommended bandwidths at the following links:

http://www.bse.hu/topmenu/about_us/newsevents/bsenews/115707.html

For Section Members using the K2 connection server:

In order to avoid potential problems in future operation, please check the following settings on K2:

- We will increase the size of the orders table in the central trading system, which will have an impact on the K2 servers too.
- The increase will mean a leap from 120 000 orders to 200 000 orders.
- Accordingly, the K2 will allocate more memory for its own order table from RAM memory.

- In the `pgw1.cfg` configuration file the default value of the „*orderratio*” parameter is 10. This ratio determines the size of the order table allocated to the firms own orders on the given day in the K2. If the number of orders in the central trading system is 200 thousand and the value of the „*orderratio*” parameter is 10, then the K2 expects to have 20 thousand own orders (own firm orders) on the given day and will allocate the corresponding amount of memory at the start up of the program. If your firm plans to enter more than 20 thousand orders a day you should modify the value of the „*orderratio*” parameter. Thus, by default, the size of the order table in the K2 server will increase from 12 thousands to 20 thousands orders as of November 10..
- Firms planning to enter more than 20 thousand orders per day should decrease the value of the „*orderratio*” parameter accordingly.
- The increase in the size of the order table in the K2 server will need more shared memory to be allocated. The limit of the available shared memory is defined by the „*kernel.shmax*” parameter. If after the modifications the K2 server software wouldn't start up due to an error indicating lack of shared memory, this parameter should be increased.

For further information about the technical details of settings, please phone András Pollák, phone: 429-6762 or e-mail at pollaka@bse.hu .

Budapest, 22 October 2008

Yours sincerely:

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